

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION
Before the Commissioner of Financial and Insurance Regulation

In the matter of:

CrossSummit Enterprises, Inc.
Agency ID # 0087581,
Respondent

Enforcement Case No. 11-11136

Issued and entered
this 12th day of April 2012
by Randall S. Gregg
Deputy Commissioner

FINAL DECISION

I. BACKGROUND

In early 2008, the Office of Financial and Insurance Regulation (OFIR) received information that Respondent had engaged in fraudulent conduct in connection with the sale of insurance policies. OFIR investigated the complaint and initiated a compliance action.

On November 30, 2011, OFIR issued an Order for Hearing and Administrative Complaint that included detailed allegations that Respondent had failed to comply with numerous sections of the Michigan Insurance Code. The order offered Respondent the opportunity for an administrative hearing if Respondent requested a hearing within 20 days. Respondent did not request a hearing.

On March 12, 2012, OFIR staff filed a Motion for Final Decision. Respondent did not file a reply to the motion. Given Respondent's failure to answer, Petitioner's motion is granted. The administrative complaint, being unchallenged, is accepted as true. Based on the factual allegations stated in the administrative complaint, the Commissioner makes the following findings of fact and conclusions of law.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. CrossSummit Enterprises Inc. (Respondent) is an active licensed Non-Resident Producer Agency in the State of Michigan with qualifications in Accident and Health, Casualty, Life, and Property. Respondent was an unlicensed insurance producer in Michigan

between January 1, 2007 and August 7, 2008. Respondent became a licensed nonresident producer in the State of Michigan on August 8, 2008.

Count I

2. From January 1, 2007 to August 7, 2008, Respondent sold in Michigan at least 167 insurance certificates underwritten by Pan-American Life Insurance Company.
3. By engaging in the sale of insurance without an insurance producer license, Respondent violated section 1201a(1) of the Michigan Insurance Code.

Count II

4. On August 20, 2008, Respondent was terminated by American Medical and Life Insurance Company (AMLI) as its underwriter and agent.
5. Respondent withheld from AMLI \$2.3 million in premiums collected for August 2008.
6. By failing to remit premiums to AMLI, Respondent violated section 1207(1) of the Michigan Insurance Code.

Count III

7. CSE conducted insurance business under the name "Crosswalk Holdings Corporation." CSE did not register Crosswalk Holdings Corporation as a business alias with OFIR as required by section 1211a of the Michigan Insurance Code.

Count IV

8. In July 2009, the New York Insurance Department and Respondent agreed to a stipulation in which Respondent's New York insurance license was surrendered. In the stipulation, the Respondent was found to have violated a number of provisions of the New York Insurance Laws.
9. Respondents failed to notify OFIR of the abovementioned administrative action as required by section 1247(1) of the Michigan Insurance Code.

The conduct described in Counts I through IV, above, describe violations of the Insurance Code. Section 1239(1)(b) of the Insurance Code authorizes the commissioner to levy

a civil fine or revoke the insurance license of an insurance producer who violates a provision of the Insurance Code.

III. ORDER

Based on the Respondent's conduct and the applicable law cited above, it is ordered that:

1. Respondent CrossSummit Enterprises, Inc. shall cease and desist from violating sections 1201a(1), 1207(1), 1211a, and 1247(1) of the Michigan Insurance Code.
2. The agency license of CrossSummit Enterprises, Inc. is revoked.

R. Kevin Clinton
Commissioner

For the Commissioner:



Randall S. Gregg
Deputy Commissioner